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8
9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 vs.

15 NEWPOINT FINANCIAL SERVICES,
16 INC.; JOHN FARAHI; GISSOU
RASTEGAR FARAHI; and ELAHEH
AMOUEI,

17 Defendants,

18 and

19 TRIPLE "J" PLUS, LLC; QUIFF
20 INVESTMENTS, LTD.; JUSTIN P.
FARAHI; and JOSHUA A. FARAHI,

21 Relief Defendants.

Case No. CV-10-0124 DDP (JEMx)

**SECURITIES AND EXCHANGE
COMMISSION'S RESPONSE TO
RECEIVER'S MOTION FOR
INTERIM PAYMENT OF
RECEIVER'S FEES AND EXPENSES**

Date: August 18, 2014

Time: 10:00 a.m.

Place: Courtroom 3
(Hon. Dean D. Pregerson)

1 Plaintiff Securities and Exchange Commission ("SEC") states, pursuant to
2 Local Rule 7-9(b), that it does not oppose the motion of the Receiver and his
3 professionals for an interim payment of fees and expenses, with one caveat. The
4 SEC was not served with a proposed order, and does not find a proposed order
5 included in the filing available on PACER. While the SEC does not oppose an
6 interim payment of fees, it appears that the Court may not have been provided with
7 the appropriate numbers reflecting an agreed 10% holdback for all of the interim
8 fee payments.

9 As stated in the application, the interim fees are subject to a 10% holdback.
10 The application shows that the holdback was applied to the fees of the Receiver.
11 However, it does not appear to have been applied to the interim fees of the
12 professionals. For example, Ervin Cohen & Jessup states that it billed fees of
13 \$348,396.55, and then agreed to discount its billing rates resulting in a reduction of
14 \$58,676.25, for interim fees of \$289,720.30. While the motion states that the fees
15 are subject to a 10% holdback, that calculation does not appear in the application,
16 but would result in an interim payment of \$260,748.27 to Ervin Cohen & Jessup.
17 Similar reductions need to be made to any interim award to the Receiver's
18 accountants, which also do not appear to reflect the 10% holdback.

19 Therefore, for the sake of clarity, SEC states that it does not oppose an
20 interim payment of fees and costs in the following amounts:

21 (1) to the Receiver James Donell, interim fees in the amount of \$62,260.25
22 and costs in the amount of \$1,548.56;

23 (2) to Receiver's counsel Ervin Cohen & Jessup, interim fees in the amount
24 of \$260,748.27 and costs in the amount of \$9,606.93;

25 (3) to the Receiver's accountant Grobstein Teeple Financial Advisory
26 Services, interim fees in the amount of \$16,245.00 and costs of \$171.83; and

27 ///

28 ///

1 (4) to the Receiver's accountant Crowe Horwath LLP, interim fees in the
2 amount of \$23,340.60 and costs in the amount of \$28.51.

3
4 Respectfully submitted,

5 Dated: July 29, 2014

6 /s/ John B. Bulgozdy
7 John B. Bulgozdy
8 Bernard B. Smyth III
9 Attorneys for Plaintiff
10 Securities and Exchange Commission
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PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

☒ U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On July 29, 2014, I caused to be served the document entitled **SECURITIES AND EXCHANGE COMMISSION'S RESPONSE TO RECEIVER'S MOTION FOR INTERIM PAYMENT OF RECEIVER'S FEES AND EXPENSES** on all the parties to this action addressed as stated on the attached service list:

☐ **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

☐ **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

☐ **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

☐ **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

☐ **UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated by United Parcel Service ("UPS") with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

☐ **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

☒ **E-FILING:** By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

☐ **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: July 29, 2014

/s/ John W. Bulgozdy
John W. Bulgozdy

SEC v. NEWPOINT FINANCIAL SERVICES, INC., et al.
United States District Court – Central District of California
Case No. CV 10-0124 DDP (JEMx)
(LA-3663)

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